

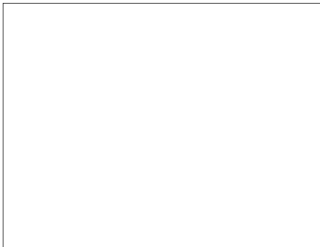
3 Oct 88

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with OPM Concerning the Retirement Administration MOU  
Covering Financial Transactions

ATTENDEES:

CIA



OPM

Victor Baronoff  
Bob Yuran  
Moses Johnson

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1. This meeting was held to go over some revisions that had been made in the draft MOU since the meeting on 30 June 88. [ ] and Mr. Johnson had gotten together since that meeting to work out the details of some procedures for transferring money between the two agencies and for reporting summary data on expenditures from the CSRS fund. The draft under consideration incorporated appropriate language to cover those changes.

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2. No major problems surfaced after the initial reading of the revised MOU. The following minor changes were made:

- [ ] suggested that language might be inserted in paragraph II.a. (2nd subparagraph) to the effect that reporting on deposits and redeposits would be done in a way not to compromise the identities of CIA employees. The OPM representatives had no objection to this change and would insert appropriate language in the next version of the MOU.
- Under subparagraph 2 of II.c. the words "and other data" were deleted. It was felt to be too ambiguous and any new types of reporting would have to be negotiated with the Agency. The OPM representative agreed to drop the language.
- The last sentence in paragraph d(1) and d(2) was put together in a separate paragraph following the material left in d(1). The remainder of paragraph d(2) became paragraph d(3) and paragraph d(3) was renumbered d(4).

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3. There was some discussion among the CIA representatives about the need for two EIN numbers: one for administering overt employees and another for covert. [ ] suggested that they thought one was sufficient. [ ] and I indicated that two should be used and that separate post office boxes should be used; this would lessen the possibility of compromise of employees retiring under cover. This issue will require some followup action.

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4. [ ] raised the issue of transferring of money from the CSRS fund to cover the annuities for people who are designated into CIARDS. She wanted to be sure that requests for money could be passed without identifying the individual employees. Mr. Johnson and Mr. Baronoff indicated that they had no problem with this procedure. [ ] said that she would break her requests down by retirement system, CSRS or CIARDS. Mr. Johnson indicated that would be satisfactory, although he did not need it that way.

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5. Mr. Yuran indicated that he would have the changes incorporated into a new draft and would forward a copy to us by the end of next week (3 Oct 88). While we are briefing our senior management on the revised MOU, they would start the process of getting the final version signed by OPM officials.

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SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING  
Financial Aspects of Retirement Administration

I. Purpose

The purpose of this supplemental memorandum is to summarize the understandings between the Office of Personnel Management and the Central Intelligence Agency with respect to financial aspects of CIA administration of retirement matters under the provisions of the Federal Employees' Retirement Act of 1986, as amended. This Memorandum supplements the Basic Memorandum of Understanding, dated February 18, 1988, and is to be considered one of the supplemental memoranda cited in paragraph IV 3 thereof. 25X1

II. Specific Responsibilities/Procedures (Keyed to the Applicable Subparagraphs of 5 U.S.C. 8347 and 8461)

a. 5 U.S.C. 8347(n)(1)(B) and 8461(j)(1)(B)

The CIA will establish and maintain financial accountability over all retirement deductions, prior service deposits, and redeposits associated with the service of employees for whom retirement benefits are to be determined by the CIA. This accountability will be reconciled annually through the Annual Summary of Retirement Fund Transactions. This financial accountability will include records and funds relating to service with other agencies, transferred by OPM to the CIA in anticipation of retirement from the CIA. The transfer of records and funds will be in a manner necessary to protect the identities of CIA employees and in a format agreeable to OPM and CIA. All funds except deposits and redeposits will be transferred to OPM through OPAC and classified on the Report of Withholdings and Contributions (SF 2812). 25X1

b. 5 U.S.C. 8347(n)(1)(D) and 8461(j)(1)(D)

The CIA will compute and collect deposits or redeposits for eligible prior military and civilian service for CSRS and ~~FERS~~ in accordance with OPM guidelines. Such deposits and redeposits will be remitted to OPM monthly in summary in the established format which has been agreed upon by OPM and CIA. These funds will be reported on line seven of both the Annual Summary of Retirement Fund Transactions CSRS (OPM Form 1525) and the Annual Summary of Retirement Fund Transactions FERS (OPM Form 1564). 25X1

c. 5 U.S.C. 8347(n)(1)(E) and 8461(j)(1)(E)

The CIA will make disbursements for all categories of entitlements for the functions assumed and considered appropriate by the Director of Central Intelligence. Disbursements will be financed with CIA funds with prompt reimbursements to be provided by the Office of Personnel Management (via the OPAC mechanism when it is established by the Agency) from the Civil Service Retirement and Disability Fund. All such disbursements will be

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subject to the same approval, certification, and control mechanisms as are used by the CIA for disbursement of the funds of any other Government agency for which the CIA becomes accountable. All claims for reimbursement will be documented in summary for each detail category for which OPM records disbursements from the Fund. The documentation for such claims will be in a format agreeable to OPM and in a manner necessary to protect the identities of CIA employees. By the 25th of October following the end of the fiscal year, the CIA will provide OPM with outstanding receivables, accrued expenses and other data needed to prepare OPM's fiscal year financial statements ☐

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d. 5 U.S.C. 8347(n)(1)(F) and 8461(j)(1)(F)

(1) The procedures for administering Federal and State withholdings will be consistent with OPM methods. The CIA will use an OPM-provided Employee Identification Number for required or appropriate reporting of taxable payments and Federal and state income tax withholdings to the Internal Revenue Service and state of residence. The use of this number applies to covert annuitants for entitlements paid by the CIA which are chargeable to the Fund. The CIA will obtain an Employee Identification Number for reporting taxable payments and Federal and State income tax withholdings for all overt annuitants for entitlements paid by CIA which are chargeable to the Fund. In the case of overt employees, the CIA will be responsible for providing answers directly to the IRS and/or annuitants in response to correspondence on such reporting, subject to Privacy Act, other applicable legal limitations, and security considerations. ☐

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(2) The CIA will establish appropriate post office box addresses, which will be provided to CIA annuitants paid under the above EIN, for use in verifying annuity payments for credit or other purposes, as required. Should any inquiries be received directly by OPM for an individual who is identified as being administered by the CIA, OPM will forward the inquiry to the CIA for response. ☐

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(3) The CIA, consistent with the standards set forth in 5 U.S.C. 8346(b) or 8470(b), and applicable implementing regulations, will determine whether to waive recovery of erroneous payments CIA makes which have been charged or will be charged to the Fund. ☐

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Approved for the Office of Personnel Management this \_\_\_\_ day of \_\_\_\_\_ 1988.

\_\_\_\_\_, Office of Personnel Management

Approved for the Central Intelligence Agency this \_\_\_\_ day of \_\_\_\_\_ 1988.

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Director of Personnel, Central Intelligence Agency

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